

RECEIVED
FEC MAIL CENTER
2018 FEB 29 AM 10:05

**BEFORE THE
FEDERAL ELECTION COMMISSION**

American Democracy Legal Fund
455 Massachusetts Avenue, NW
Washington, DC 20001

MUR # 7338

Complainant,

v.

Rep. Rick Saccone
404 Boston Hollow Road
Elizabeth, PA 15037

Rick for Congress
404 Boston Hollow Road
Elizabeth, PA 15037

Brenda Hankins, Treasurer
Rick for Congress
404 Boston Hollow Road
Elizabeth, PA 15037

OFFICE OF
GENERAL COUNSEL
2018 MAR -1 PM 3:30

COMPLAINT

This complaint is filed under 52 U.S.C. § 30109(a)(1) against Rep. Saccone, his campaign committee, Rick for Congress, and its treasurer, Brenda Hankins, in her official capacity (collectively, "Respondents"), for violating the Federal Election Campaign Act of 1971, as amended (the "Act") and Federal Election Commission (the "FEC" or "Commission") regulations, as described below. Rep. Saccone appears to have illegally used his state campaign funds—which likely included contributions in excess of federal limits—to aid his campaign for Congress. Such an action would be a blatant violation of federal law. The Commission should investigate and levy appropriate sanctions against Respondents for these apparent violations, which undermine the anti-corruption purpose at the heart of the Act.

FACTS

Rick Saccone, a member of the Pennsylvania House of Representatives, has been a candidate for federal office since January 2017.¹ First, he declared his intention to run for U.S. Senate, and raised \$15,500 for that campaign.² Then, he withdrew his Senate candidacy and chose to run for U.S. Congress in Pennsylvania's 18th Congressional district.³ As Pennsylvania prohibits candidates from running for more than one office at a time,⁴ he was no longer a candidate for re-election to his state legislative seat beginning January 2017 when he first began his campaign for federal office. Saccone's Pennsylvania state legislative campaign committee is "Friends of Rick Saccone" ("State Committee").⁵ His authorized campaign committee for his campaign for Congress is Rick for Congress ("Federal Committee").⁶

State Committee continued to make expenditures for campaign-related purposes after Saccone became a federal candidate. In fact, notwithstanding the fact that Saccone was no longer permitted to be a state candidate at the time, Saccone used his State Committee to pay for both his and a staffer's attendance at the Conservative Political Action Conference ("CPAC") on February 22, 2017.⁷ Then, just months later, when Saccone was still deep in his federal Senate

¹ See Rick Saccone, FEC Form 2 Statement of Candidacy (Jan. 30, 2018) (declaring candidacy for U.S. Senate), <http://docquery.fec.gov/pdf/394/201702020200051394/201702020200051394.pdf>.

² See Patriots4Saccone, Quarterly FEC report (April 4, 2017), <http://docquery.fec.gov/pdf/922/201704100200087922/201704100200087922.pdf>.

³ CBS News, *Pa. Rep. Rick Saccone Suspends Senate Run, Bids To Replace Murphy* (Oct. 8, 2017), <http://pittsburgh.cbslocal.com/2017/10/08/rick-saccone-congress-run-replace-murphy/>.

⁴ See 25 Pa. Stat. § 2911(e)(5),(8).

⁵ See Pennsylvania Dept. of State, Committee Information: Friends of Rick Saccone, <https://www.pavoterservice.pa.gov/ElectionInfo/CommitteeInfo.aspx?ID=4169>.

⁶ See Rick for Congress, FEC Form 1 Statement of Organization (Oct. 21, 2017).

⁷ See David Weigel, *CPAC organizer denounces 'alt-right' as 'left-wing fascist group'*, Wash. Post (Feb. 23, 2017) (featuring a photograph of Saccone at CPAC), <https://www.msn.com/en-us/news/politics/cpac-organizer-denounces-%E2%80%98alt-right%E2%80%99-as-%E2%80%98left-wing-fascist-group%E2%80%99/ar-AAngRQI>; See Friends of Rick Saccone, Pennsylvania Campaign Finance Report at 12 (reporting a disbursement to Nicholas Racculia for "REIMBURSEMENT FOR CPAC TWP") (Feb. 8, 2018); *id.* at 13 (reporting a disbursement to Rick Saccone for "CPAC EXPENSES REIMBURSEMENT"),

candidacy, he appears to have misused his State Committee funds again. This time, on May 30, 2017, State Committee spent \$800 on a "Full-Page Color Ad."⁸ On June 9, 2017, State Committee also paid Rick Saccone \$145.48 for "Campaign Supplies."⁹

In addition to these expenditures, State Committee also made a direct transfer to Federal Committee. On December 21, 2017, State Committee transferred \$995 to Federal Committee.¹⁰

LEGAL DISCUSSION

Saccone's use of his State Committee in support of his federal candidacy appears to violate the Act. Federal candidates may not spend funds in connection with a federal election unless the funds are subject to the Act's limitations, prohibitions, and reporting requirements.¹¹ Commission regulations also prohibit the transfer of funds from a candidate's campaign committee or account for a nonfederal election to her principal campaign committee for a federal election.¹² In fact, once an individual becomes a federal candidate, he is limited in what he may do with his state campaign funds. Most importantly, the candidate may not spend state funds in connection with any federal election.¹³ Because Saccone is a federal candidate, he is subject to the above restrictions—he is prohibited from spending any state campaign funds on his federal election. And because he is not permitted under state law to run for state and federal office simultaneously, he is not able to use his state campaign funds for a nonfederal election. In fact, when Saccone attended CPAC in February, after having announced his candidacy for federal

<https://www.campaignfinanceonline.pa.gov/Pages/ShowReport.aspx?ReportID=275250&isStatement=0&is24Hour=0>

⁸ *Id.* at 13.

⁹ *Id.*

¹⁰ *Id.*; see also Rick for Congress, Year-End FEC Report at 40 (Feb. 1, 2018), <http://docquery.fec.gov/pdf/634/201802019094200634/201802019094200634.pdf>.

¹¹ 52 U.S.C. § 30125(e)(1)(A).

¹² 11 C.F.R. § 110.3(d).

¹³ See *id.*; FEC Advisory Opinion 2002-08 (Vitter); FEC Matter Under Review 5636, Notification with Factual and Legal Analysis to Russ Diamond (July 6, 2006).

office, his attendance could only reasonably interpreted as an effort to support his federal campaign. Nonetheless, the expenses were impermissibly reimbursed by State Committee.¹⁴ Similarly, State Committee reported expenditures for a “Full-Page Color Ad” and “Campaign Supplies” more than six months into Saccone’s federal campaign.¹⁵ Again, because Saccone is only a federal candidate, he was not permitted to use his state campaign funds for anything related to his federal campaign, or for a state campaign.

Further, Saccone made a direct transfer from State Committee to Federal Committee when his State Committee made a \$995 contribution to Federal Committee.¹⁶ Pennsylvania permits individuals to contribute to state candidates in excess of federal contribution limits,¹⁷ and there is no evidence that State Committee’s expenditures were subject to an accounting analysis that limited them to federally permissible funds. Thus, this contribution is likely impermissible.

The Commission adopted its prohibition on transferring state committee funds to a federal campaign understanding that “many states”—including Pennsylvania—“impose fewer restrictions on contributions to campaigns for state elective offices.”¹⁸ The regulation serves to protect the integrity of federal contribution source and amount restrictions—and the anti-corruption purpose at the heart of those rules. A federal candidate like Saccone is not permitted to take advantage of Pennsylvania’s state campaign finance law to circumvent the federal rules. Yet Saccone’s transfers and expenditures from his State Committee are an attempt to do just that—to use money raised under Pennsylvania’s rules to fund his federal campaign.

¹⁴ See Friends of Rick Saccone, Pennsylvania Campaign Finance Report at 12 (reporting a disbursement to Nicholas Racculia for “REIMBURSEMENT FOR CPAC TWP”) (Feb. 8, 2018); *id.* at 13 (reporting a disbursement to Rick Saccone for “CPAC EXPENSES REIMBURSEMENT”).

¹⁵ *Id.* at 13.

¹⁶ Friends of Rick Saccone, Pennsylvania Campaign Finance Report at 14 (Feb. 8, 2018).

¹⁷ See 25 Pa. Stat. § 3241 *et. seq.*

¹⁸ FEC, *Explanation and Justification: Transfers of Funds from State to Federal Campaigns*, 58 Fed. Reg. 3474 (Jan. 8, 1993).

REQUESTED ACTION

As we have shown, Respondents appear to have violated the Act and Commission regulations by spending and accepting state campaign funds to influence a federal election. As such, we respectfully request that the Commission immediately investigate these violations and that Respondents be enjoined from further violations and be fined the maximum amount permitted by law.

Sincerely,



SUBSCRIBED AND SWORN to before me this 23 day of February, 2018.



Notary Public

My Commission Expires: Nov 30, 2021

